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| **Course Name**  *Penn Cambria Curriculum* | **Accounting II** |
| **Length of Course** | 1 credit |
| **Grade Level** | 10-12 |
| **Prerequisites** | Fundamental Accounting skills (Accounting 1) |
| **Course Description** | Students taking this course should have a fundamental knowledge of Accounting 1. The corporation is the form of business organization used in Accounting 2. Instructional topics include: special journals, accounting for uncollectible accounts, plant assets & depreciation, inventory, notes and interest. Distributing dividends and preparing worksheets, financial statements and end-of-fiscal period entries for a corporation will also be presented. The computer will be applied for payroll processing and automated accounting. Business simulations are also used to enhance the learning process. |
| **Units of Study** | 1. Automated Accounting 2. Understanding Taxes 3. Accounting for Merchandising Business Organized as Corporation 4. Accounting System Set-Up |
| **Materials** | ***Text:*** South Western Century 21 Accounting (Ch. 18 – 26) copyright 2003  ***Supplemental Materials:***  Automated Accounting 8.0 Thomson/South Western copyright 2003 |

**Unit: Automated Accounting**

**Estimated Time:** 3 Weeks

**Standard Alignment:**

2.2.11F – Demonstrate skills for computer spreadsheets.

3.7.10C – Apply basic computer operations and concepts.

**Curricular Objectives:**

1. Introduction
   1. Describe the basics of automated accounting
   2. Describe parts of an automated accounting program
2. General Journal and Ledger
   1. Maintain a chart of accounts
   2. Enter and correct Journal entries
   3. Generate Reports
3. General Ledger/ End of Fiscal Period
   1. Record adjusting entries
   2. Enter and Correct Journal entries
   3. Enter bank statements reconciliation
   4. Generate Reports and Graphs
4. Purchases and Cash Payments
   1. Record purchases on account
   2. Record cash payments
   3. Update and change vendor information
   4. Generate Reports and Graphs
5. Sales and Cash Receipts
   1. Record sales on account
   2. Record cash receipts
   3. Key customer information
   4. Generate Reports and Graphs
6. End of Fiscal Period
   1. Process the adjusting entries
   2. Generate financial statements
   3. Complete the period end closing for a merchandising business
7. Payroll
   1. Add, change and delete employees from employee records
   2. Enter and correct Payroll transactions
   3. Generate Payroll Reports
8. Business Simulation
   1. Complete the accounting cycle for a merchandising business using Automated Accounting
   2. Enter and Correct transactions
   3. Generate Payroll Reports
   4. Complete a bank reconciliation

**Assessments/ Measurement of Objectives:**

* Application problems using tools in automated accounting
* Enter transactions and generate reports in automated accounting
* Business simulation project entering transactions, maintaining accounts, generating reports, and answers questions on an audit exam.

**Suggested Methods of Instruction / Learning Activities:**

* Guided demonstrations
* Apply technology skills

**Unit: Understanding Taxes**

**Estimated Time:** Approximately 1-2 weeks

**Standard Alignment:**

11.1.12 E - Compare and contrast factors affecting annual gross and taxable income and reporting requirements (e.g., W-2 form, Income tax form)

**Curricular Objectives:**

1. Filing Federal Income Tax Returns
   1. Identify types and uses of payroll taxes
   2. Explain how federal income taxes are used
   3. Distinguish between gross and net pay
   4. Explain the purpose of a form W-4
2. Compare and contrast factors affecting annual gross and taxable income and reporting requirements
3. Explain that income from wages and tips are taxable.
4. Identify taxable interest income and tax-exempt interest income.
5. Explain how the dependency exemption affects taxable income.
6. Determine the best filing status for the taxpayer.
7. Explain how exemptions affect income that is subject to tax.
8. Determine the number of exemptions to claim on a tax return.
9. Explain how the standard deduction affects income that is subject to tax.
10. Identify the factors that determine the standard deduction amount.
11. Distinguish between a tax deduction and a tax credit.
12. Explain the requirements to claim a tax credit for dependents.
13. Apply the requirements to claim the earned income credit.
14. Define a refund and explain how refunds are received.
15. Define an amount due and explain how payments are made.
16. Describe ways to prepare and transmit tax returns.
17. Distinguish between an employee and an independent contractor.
18. Explain how to compute self-employment profit and tax.
19. Complete an example of a 1040 EZ, 1040 A and tax tables.

**Assessments/ Measurement of Objectives:**

* Simulation module and on-line assessment.
* Tax table exercise, answer questions in federal income tax booklet, complete tax forms 1040 EZ and 1040 A.

**Suggested Methods of Instruction / Learning Activities:**

* Tutorial assignment
* Self-guided instruction through the IRS website

**Unit: Merchandising Business Organized as a Corporation**

**Estimated Time:** 13 Weeks

**Standard Alignment:**

2.2.11.A - Develop and use computation concepts, operations and procedures with real numbers in problem-solving situations.

2.5.11.A - Select and use appropriate mathematical concepts and techniques from different areas of mathematics and apply them to

solving non-routine and multi-step problems.

6.5.12.C - Analyze the costs and benefits of organizing a business as a sole proprietorship, partnership or corporation.

6.5.12.H - Evaluate benefits and costs of changes in interest rates for individuals and society.

**Curricular Objectives:**

1. Recording Purchases and Cash Payments
   1. Define accounting terms related to purchases and cash payments.
   2. Identify accounting concepts and practices related to purchases, cash payments, discounts and petty cash short and over.
   3. Analyze transactions.
   4. Journalize and post transactions.
2. Recording Sales and Cash Receipts
   1. Define accounting terms related to sales and cash receipts.
   2. Identify accounting concepts and practices related to sales, cash receipts, and discounts.
   3. Analyze transactions.
   4. Journalize and post transactions.
3. Accounting for Plant Assets and Depreciation
4. Define accounting terms related to plant assets, depreciation, and property tax expense.
5. Identify accounting concepts and practices related to accounting for plant assets, depreciation and property tax expense.
6. Calculated depreciation expense and book value of a plant asset.
7. Record plant asset information in a plant asset record.
8. Record entries related to accounting for plant assets, depreciation and property tax expense.
9. Accounting for Inventory
   1. Define accounting terms related to inventory.
   2. Identify accounting concepts and practices related to inventory.
   3. Determine the cost of merchandise inventory using FIFO, LIFO, and weighted average inventory costing methods.
   4. Estimate the cost of merchandise inventory using the gross profit method of estimating inventory.
10. Accounting for Notes and Interest
    1. Define accounting terms related to notes and interest.
    2. Identify accounting concepts and practices related to accounting for notes and interest.
    3. Calculate interest and maturity dates for notes.
    4. Analyze and record transactions for notes payable and notes receivable.
11. Financial Statements and End of Fiscal Period entries for a Corporation
    1. Define accounting terms related to financial statements.
    2. Process monthly transactions for a corporation.
    3. Generate checks and monthly statements of account.
    4. Complete the end of the fiscal period work for a corporation.

**Assessments/ Measurement of Objectives:**

* Automated Accounting assignments related to purchases and cash payments.
* Automated Accounting assignments related to sales and cash receipts.
* Automated accounting problems related to depreciation expense and the book value of a plant asset.
* Automated accounting problems related to inventory costing methods and sales returns.
* Quiz on calculating interest and maturity dates.
* Problem exam calculating interest and maturity dates, and journalizing transactions.
* Problem exams.

**Suggested Methods of Instruction / Learning Activities:**

* Direct instruction.
* Guided demonstrations.
* Practice problems related to purchases, cash payments, sales and cash receipts.
* Practice problems related to determining purchase discounts and petty cash short/over.
* Practice problems related to determining sales discounts and sales tax reductions.
* Practice problems related to calculating depreciation expense and the book value of a plant asset.
* Practice problems related to calculating inventory costing methods.
* Practice problems related to calculating interest and maturity dates.

**Unit: Accounting System Setup**

**Estimated Time:** 1 Week

**Standard Alignment:**

2.2.11.F - Demonstrate skills for using computer spreadsheets and scientific and graphing calculators.

2.5.11.A - Select and use appropriate mathematical concepts and techniques from different areas of mathematics and apply them to

solving non-routine and multi-step problems.

**Curricular Objectives:**

1. Automated Accounting
   1. Establish general company information.
   2. Establish a chart of accounts, vendors and customers.
   3. Establish required accounts, payroll accounts, account classifications, extended classifications, and account subtotals.
   4. Enter the opening balances for the general ledger, accounts payable, accounts receivable and budget.
   5. Perform setup for plant assets, payroll, and inventory.
   6. Display and print setup information.

**Assessments/ Measurement of Objectives:**

* Automated accounting problems related to setting up an accounting system.
* Audit Exams.

**Suggested Methods of Instruction / Learning Activities:**

* Guided demonstration as well as self-directed instruction.
* Apply automated technology.